

CAFTA Facts

Office of the United States Trade Representative CAFTA Policy Brief – July 2005

www.ustr.gov

CAFTA Is Not "Anti-Dentist" State Licensing Requirements Not Affected

Some critics have alleged that the Central America – Dominican Republic Free Trade Agreement (CAFTA) will weaken dental licensing or qualification standards in U.S. states, because of provisions in the agreement calling on countries to make those criteria objective and transparent.

This is simply wrong.

<u>CAFTA will not weaken or affect U.S. states' professional licensing standards for dentists, doctors or other professionals, for 3 key reasons:</u>

- CAFTA does <u>not</u> say governments must avoid imposing licensing and qualification standards that
 are difficult to satisfy. As is clear from the text (Article 11.8), CAFTA instead simply calls on the
 seven governments to "do their best" to see that licensing standards are objective, transparent,
 and designed to ensure quality service. <u>There is no question that licensing standards in U.S.</u>
 states fully satisfy these criteria.
 - The main purpose of this article is to encourage Central American countries and the Dominican Republic to use fair and objective criteria in professional licensing, just like U.S. states already do.
- 2. The article of the CAFTA that addresses licensing of professional services (Article 11.8) is framed as only a "best efforts" provision. It does not establish a hard obligation. It merely requires that the Parties "endeavor" to meet its terms "as appropriate" for individual sectors. As a "best efforts" provision, it is not really amenable to enforcement through dispute settlement procedures.
- Language like that in CAFTA has been included in the WTO services agreement and in the North American Free Trade Agreement for more than ten years. It has <u>never</u> led to claims challenging any U.S. licensing or qualification standards for dental or other professional service suppliers.